

Message Text

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ACTION ARA-20

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USIE-00 INRE-00 PM-07 H-03 INR-10 L-03 NSC-07 PA-04

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TRSE-00 STR-08 OMB-01 CEA-02 COME-00 FRB-02 XMB-07

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FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 7168

C O N F I D E N T I A L BUENOS AIRES 4943

E.O. 11652: GDS

TAGS: PFOR, MFM, AR

SUBJ: MFM WORKING GROUP ON TRANSNATIONAL ENTERPRISES

BEGIN UNCLASSIFIED

1. BASED ON CONVERSATIONS BETWEEN KUBISCH AND BLOOMFIELD FOR THE US AND AMBASSADOR FIGUERERO FOR THE GOA ON JULY 4 AND A FURTHER MEETING ON JULY 5 BETWEEN BLOOMFIELD AND FIGUERERO, EMBASSY TODAY GAVE FOREIGN MINISTRY THE FOLLOWING NOTE:

BEGIN TEXT:

"THE EMBASSY OF THE UNITED STATES OF AMERICA PRESENTS ITS COMPLIMENTS TO THE MINISTRY OF FOREIGN AFFAIRS AND WORSHIP AND REFERS TO ITS AIDE MEMOIRE, DATED MAY 30TH, 1974, REGARDING ITS PROPOSAL FOR A MEETING OF THE WORKING GROUP ON TRANSNATIONAL ENTERPRISES IN WASHINGTON, DC, FROM JULY 8-11, 1974.

"CONFIRMING CONVERSATIONS HELD BETWEEN REPRESENTATIVES OF THE
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UNITED STATES GOVERNMENT AND THE GOVERNMENT OF ARGENTINA, THE

UNITED STATES GOVERNMENT WISHES TO PROPOSE THAT THE MEETING WHICH IT ORIGINALLY SUGGESTED BE HELD IN WASHINGTON, JULY 8-11, BE POSTPONED AND RESCHEDULED FOR AUGUST 19-22. IT IS THE EXPECTATION OF THE UNITED STATES GOVERNMENT THAT THE REPRESENTATIVES OF THE GOVERNMENTS PARTICIPATING IN THE MEETING WOULD ENGAGE IN ORGANIZATIONAL AND EXPLORATORY WORK FOR THE PURPOSE OF IDENTIFYING AREAS OF CONCERN AND THAT, THEREFORE, THE MEETING WOULD NOT BE CALLED UPON TO TAKE ANY DECISIONS REGARDING THE SUBSTANCE ENVISAGED IN PARAGRAPH 11 OF THE WASHINGTON COMMUNIQUE. IT IS PROPOSED THAT THE MEETING SHOULD FACILITATE THE TASK OF THE MEETING OF THE WORKING GROUP TO BE CONVENED TWO MONTHS BEFORE THE NEXT MFM FOR THE PURPOSE OF DRAFTING A DOCUMENT OF PRINCIPLES OF CONDUCT REGARDING ACTIVITIES OF TRANSNATIONAL ENTERPRISES FOR THE CONSIDERATION OF THE FOREIGN MINISTERS AT THEIR BUENOS AIRES MEETING.

"IN ORDER TO FACILITATE FURTHER THE AUGUST MEETING, THE UNITED STATES GOVERNMENT WILL MAKE AVAILABLE A MEMORANDUM CONTAINING ITS SUGGESTIONS AS TO HOW THE PREPARATORY PHASE OF THE WORKING GROUP MIGHT PROCEED. SIMILARLY, THE UNITED STATES GOVERNMENT WOULD WELCOME THAT ANY PARTICIPATING GOVERNMENT WHICH WISHES TO ADVANCE VIEWS ON THE SUBJECT MATTER OF THE PREPARATORY WORK TO BE UNDERTAKEN PRIOR TO THE JANUARY MEETING SHOULD MAKE THEM AVAILABLE TO THE OTHER PARTICIPATING GOVERNMENTS IN ADVANCE OF THE PROPOSED AUGUST MEETING."

(COMPLIMENTARY CLOSE)

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2. FIGUERERO STATED THAT THE FOREIGN MINISTRY WOULD TRANSMIT US NOTE IMMEDIATELY TO OTHER MFM GOVERNMENTS. HE IS OF THE OPINION THAT FAVORABLE RESPONSES WILL BE RECEIVED PROMPTLY FROM ALL GOVERNMENTS.

3. FIGUERERO MADE IT CLEAR THAT GOA'S MAIN CONCERN WITH US PROPOSAL FOR AN EARLY MEETING OF WORKING GROUP HAD BEEN THAT SUCH PREPARATORY MEETINGS MIGHT LEAD TO NEGOTIATION OF THE DOCUMENT OF PRINCIPLES CALLED FOR BY THE WASHINGTON COMMUNIQUE BEFORE THE CONFIDENTIAL

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LATIN AMERICAN GROUP COULD AGREE UPON A COMMON POSITION VIS-A-VIS THE US ON THE CONTENTS OF SUCH A DOCUMENT. WHEN DURING THE COURSE OF FIVE HOURS' GIVE AND TAKE US SIDE CLARIFIED THAT USG'S OBJECTIVE WAS TO PREPARE THE GROUND FOR EVENTUAL DRAFTING OF THE PRINCIPLES DOCUMENT BY A SERIES OF DISCUSSIONS OF THE PRACTICAL ASPECTS OF THE TRANSNATIONAL ENTERPRISE QUESTION, AND THAT USG AGREED THAT THE DRAFTING EXERCISE NEED NOT BE UNTIL JANUARY, FIGUERERO STATED THAT GOA WITHDREW ITS OB-

JECTIONS TO THE US PROPOSAL FOR AN ORGANIZATIONAL MEETING OF THE WORKING GROUP AND WOULD PARTICIPATE FULLY IN AUGUST MEETING. WITHOUT COMMITTING GOA, FIGUERERO IMPLIED THAT ARGENTINA WOULD SUPPORT THE IDEA OF OTHER PREPARATORY MEETINGS OF THE WORKING GROUP TO DISCUSS (BUT NOT NEGOTIATE) SUBSTANCE. HE ALSO SAID HE FELT CONFIDENT THAT PERU WOULD ACCEPT US PROPOSAL. FIGUERERO ALSO INFORMED US THAT GOA HAD RECEIVED WORD FROM VENEZUELA THAT, WHILE IT DID NOT OBJECT TO WASHINGTON MEETING, IT WANTED MORE TIME TO PREPARE THAN ORIGINAL JULY 8 DATE WOULD HAVE ALLOWED.

4. THE FINAL SENTENCE OF THE SECOND PARAGRAPH WHICH READS: "A DOCUMENT OF PRINCIPLES OF CONDUCT REGARDING ACTIVITIES OF TRANSNATIONAL ENTERPRISES" IS DELIBERATELY IMPRECISE AS TO WHOSE CONDUCT IS MEANT SO AS TO COVER BOTH THE US DESIRE THAT THE TERMS OF REFERENCE OF PARAGRAPH 11 OF THE WASHINGTON COMMUNIQUE BE INTERPRETED BROADLY ENOUGH TO INCLUDE THE TREATMENT OF SUCH ENTERPRISES BY GOVERNMENTS AND THE DESIRE OF THE GOA AND SOME OTHER LATIN GOVERNMENTS THAT THE PRINCIPLES FOCUS ON THE CONDUCT OF THE CORPORATIONS THEMSELVES. FIGUERERO SAID THAT HE AGREED THAT THE POLICIES OF GOVERNMENTS TOWARD TRANSNATIONALS INEVITABLY WOULD HAVE TO BE DEALT WITH, BUT THAT THERE HAD BEEN SOME CONCERN THAT THE US WAS TRYING TO INTERPRET THE WASHINGTON COMMUNIQUE SO AS TO EXCLUDE CORPORATIONS' CONDUCT AS WELL AS WELL AS TO BROADEN THE TERMS OF REFERENCE FAR AFIELD FROM MNC CONDUCT.

5. BELIEVE THAT THESE CONVERSATIONS HAVE BEEN VERY PRODUCTIVE BY REMOVING THE MISUNDERSTANDING THAT HAD ARISEN BETWEEN USG AND GOA OVER US OBJECTIVES IN PROPOSING JULY (NOW AUGUST) MEETING OF WORKING GROUP. THEY ALSO HAVE OPENED UP THE POSSIBILITY THAT THE GOA MIGHT PLAY A CONSTRUCTIVE ROLE IN THE PREPARATORY PHASE, ALTHOUGH THIS IS FAR FROM CERTAIN. IT IS CLEAR, HOWEVER, THAT WE WILL HAVE DIFFICULTY IN GETTING THE ACTUAL
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DRAFTING PHASE BEGUN BEFORE JANUARY.

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